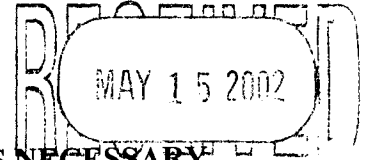


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ARIZONA CORPORATION
COMMISSION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

Director of Utilities

S

W-03576A
SANTA CRUZ WATER COMPANY
426 N. 44TH STREET, STE. 100
PHOENIX AZ 85008 200

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

5-16-02 Gm

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Santa Cruz Water Company</u>		
Mailing Address <u>(See below local office for mailing address)</u>		
(Street)	(City)	(State) (Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>426 N. 44th St., Ste. 200</u>		
<u>Phoenix</u>	<u>AZ</u>	<u>85008</u>
(City)	(State)	(Zip)
<u>602 - 914 - 2200</u>	<u>602 - 914 - 2101</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>cliles@phxcapital.net</u>		

MANAGEMENT INFORMATION

Management Contact: <u>Cindy Liles</u>		<u>VP - CFO</u>	
(Name)		(Title)	
<u>426 N. 44th St., Ste. 200</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85008</u>
(Street)	(City)	(State)	(Zip)
<u>602 - 914 - 2200</u>	<u>602 - 914 - 2101</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>cliles@phxcapital.net</u>			
On Site Manager: <u>Edward Farrell</u>			
(Name)			
<u>19680 N. John Wayne Pkwy,</u>	<u>Maricopa</u>	<u>AZ</u>	<u>85239</u>
(Street)	(City)	(State)	(Zip)
<u>520 - 518 - 1235</u>	<u>520 - 568 - 4113</u>	<u>520 - 518 - 1235</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: FC Service Corporation

(Name)

3003 N. Central Avenue, Ste. 2200, Phoenix, AZ 85012

(Street)

(City)

(State)

(Zip)

602-916-5000

Telephone No. (Include Area Code)

602-916-5566

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Jay Shapiro, Fennemore Craig

(Name)

3003 N. Central Avenue, Ste. 2600, Phoenix, AZ 85012

(Street)

(City)

(State)

(Zip)

602-916-5366

Telephone No. (Include Area Code)

602-916-5566

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☒ Limited Liability Company

☐ Other (Describe)

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☒ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Santa Cruz Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	88123		88123
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	727306		727306
307	Wells and Springs	138146		138146
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	329927		329927
331	Transmission and Distribution Mains	649958		649958
333	Services			
334	Meters and Meter Installations	5335		5335
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1939395	0	1939395

This amount goes on the Balance Sheet Acct. No. 108

Company began operations for construction customers during the 4th Quarter 2001.

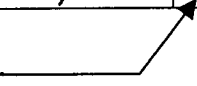
COMPANY NAME

Santa Cruz Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	Ø	Ø	Ø

This amount goes on Comparative Statement of Income and Expense Acct. No. 403



COMPANY NAME Santa Cruz Water Company

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$ 57030
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		32628
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$	\$ 89658
	FIXED ASSETS		
101	Utility Plant in Service	\$	\$ 1939395
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$ 1939395
	TOTAL ASSETS	\$	\$ 2029053

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Santa Cruz Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		2005
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		37243
	TOTAL CURRENT LIABILITIES	\$	\$ 39248
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$ -
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		50410
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$ 50410
	TOTAL LIABILITIES	\$	\$ 89658
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$ -
211	Paid in Capital in Excess of Par Value		-
215	Retained Earnings		-
218	Proprietary Capital (Sole Props and Partnerships)		1939395
	TOTAL CAPITAL	\$	\$ 1939395
	TOTAL LIABILITIES AND CAPITAL	\$	\$ 2029053

COMPANY NAME

Santa Cruz Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$ 30623
460	Unmetered Water Revenue		
474	Other Water Revenues		2375
	TOTAL REVENUES	\$	\$ 32998
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		828
630	Outside Services		1550
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		30620
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$	\$ 32998
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$	\$
	NET INCOME/(LOSS)	\$	\$ 0

COMPANY NAME Santa Cruz Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 0

Meter Deposits Refunded During the Test Year

\$ 0

COMPANY NAME Santa Cruz Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-617336	250	2000	20"	12"
55-612737	100	1150	20" - 0' to 535' 18" - 518' to 1000'	12"

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
none		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 113,556

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
40	4	85	-

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1.5 million gallons	1	10,000 gallon	2

STATISTICAL INFORMATION

Total number of customers	<u>20</u>
Total number of gallons sold	<u>9,327,253</u> gallons

COMPANY NAME Santa Cruz Water Company YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0-
Estimated or Actual Federal Tax Liability 0-

State Taxable Income Reported 0-
Estimated or Actual State Tax Liability 0-

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0-
Amount of Gross-Up Tax Collected 0-
Total Grossed-Up Contributions/Advances 0-

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

N/A

SIGNATURE

DATE

PRINTED NAME

TITLE

COMPANY NAME Santa Cruz Water Company YEAR ENDING 12/31/2001

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

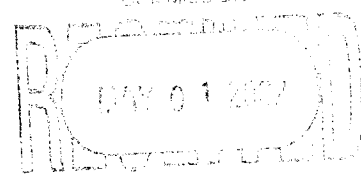
Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

During the year 2001, all property taxes were paid by Pecan Valley Investments LLC. At the end of 2001, Pecan Valley Investments LLC is the sole owner of Santa Cruz Water Company.



VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

Form with fields: COUNTY OF (COUNTY NAME) PINAL, NAME (OWNER OR OFFICIAL) TITLE Cindy Liles, CFO, COMPANY NAME Santa Cruz Water Company W-03576A

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Table with 3 columns: MONTH, DAY, YEAR. Values: 12, 31, 2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$) \$ 30,325.09

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 1862.35 IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Signature of Cindy Liles, CFO. Telephone number 602 914 2100

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30th DAY OF

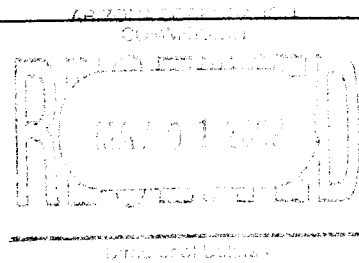
Notary Public State of Arizona Maricopa County Robyn Broyles Expires September 30, 2004

Form with fields: COUNTY NAME Maricopa, MONTH April, YEAR 2002, Signature of Notary Public Robyn Broyles

MY COMMISSION EXPIRES

Vertical handwritten note: Continued 5/1/02 on

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Pinal</u>	
NAME (OWNER OR OFFICIAL) <u>Cindy Liles</u>	TITLE <u>CFO</u>
COMPANY NAME <u>Santa Cruz Water Company W-03576A</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>0.00</u> xx

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 0.00xx IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

X Cindy Liles
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30th
Notary Public State of Arizona

DAY OF

Maricopa County
Robyn Broyles
Expires September 30, 2004

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME <u>Robyn Broyles</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	20 <u>02</u>

X Robyn Broyles
SIGNATURE OF NOTARY PUBLIC